

Message Text

CONFIDENTIAL

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13

ORIGIN ARA-20

INFO OCT-01 ISO-00 EB-11 L-03 OPIC-12 FEA-02 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-03 COME-00 DODE-00 FPC-01 H-03

INR-11 INT-08 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 /165 R

DRAFTED BY ARA/EP/E:WSCLARKE

APPROVED BY ARA/EP:SMPRINGLE

ARA/NC:TSONANDRES (DRAFT)

EB/ORF/FSE:WWHITMAN (DRAFT)

EB/IFD/OIA:RSMITH (INFO)

L/ARA:DGANTZ (INFO)

OPIC:MKING (INFO)

----- 118134

R 301953Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

AMEMBASSY QUITO

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L STATE 191436

E.O. 11652: GDS

TAGS: ENGR, EINV, EC, VE

SUBJECT: ADA OFFICIAL SUSPICIOUS OF VENEZUELAN CONNECTION

REF: STATE 189822 (NOTAL)

1. TOP OFFICIAL OF ADA OIL CO. (HOUSTON, TEXAS), WHICH IS NOW ENGAGED IN NEGOTIATIONS WITH GOE TO DETERMINE VALUE OF ASSETS OF NULLIFIED CONTRACT FOR GAS EXPLORATION IN GULF OF GUAYAQUIL, TOLD DEPARTMENT 28 AUGUST THAT VENEZUELAN OIL COMPANY HAS APPROACHED HIS COMPANY WITH PROPOSAL FOR SOMEWHAT SUSPICIOUS DEAL. ADA PRESIDENT JOSEPH LASSITER REPORTED THAT REPRESENTATIVES OF TALON, A CARACAS-BASED OIL COMPANY, HAVE BEEN PERSISTENT IN THEIR APPROACH TO ADA OFFERING TO ACT AS FRONT FOR LATTER IN FUTURE DEVELOPMENT
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OF FORMER ADA CONCESSION IN GULF OF GUAYAQUIL. THE ADA

OFFICIAL KNOWS ONE OF THE TALON REPRESENTATIVES, JOHN R. BOYD, WHO APPARENTLY ENJOYS A SATISFACTORY REPUTATION IN THE OIL BUSINESS. THE OTHER PRINCIPAL OF TALON, GREGORIO TAEZ, IS UNKNOWN TO HIM.

2. TALON IS APPARENTLY A SMALL PRODUCER IN THE VENEZUELAN AREA AND IS CURRENTLY EXPLOITING SCATTERED OIL RESERVES PREVIOUSLY OWNED BY THE HOMESTAKE OIL CO. 89 PERCENT OF TALON IS OWNED BY RAFAEL TUDELA, WHO IS THE OWNER OF HEIDACA, MAINLY AN OIL BROKERAGE COMPANY.

3. TALON PROPOSAL TO ADA INVOLVED FRONTING FOR ADA IN

BIDDING ON GULF OF GUAYAQUIL PROPERTIES IN RETURN FOR A 10 PERCENT OVERRIDE ON CONCESSION PROFITS. ADA REJECTED THIS AND COUNTERED WITH OFFER TO ACCEPT TALON AS FULL FLEDGED MEMBER OF CONSORTIUM IN RETURN FOR CAPITAL CONTRIBUTION. TALON HAS PERSISTED WITH OVERRIDE PROPOSAL AND INFORMED ADA THAT THEY GOING AHEAD WITH QUALIFICATION TO BID ON CONCESSIONS SO AS TO BE IN POSITION TO NEGOTIATE WITH ADA. LASSITER PUZZLED BY TALON INITIATIVE AND SUSPECTS THEY MAY BE ACTING AT BEHEST OF SOMEONE IN GOE.

4. IF ANY INFORMATION IS AVAILABLE IN CARACAS RELATING TO TALON OR HEIDACA ACTIVITIES, THIS INFORMATION MIGHT PROVE USEFUL TO EMBASSY QUITO AND DEPARTMENT IN DETERMINING THE GOE'S INTENTIONS IN REGARD TO ADA CLAIMS. KISSINGER

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